

## Message Text

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51

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

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TO SECSTATE WASHDC PRIORITY 4882

INFO COMICEDEFOR

CINCLANT

USMISSION NATO

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

UNCLAS REYKJAVIK 1356

DEPT FOR EUR/NE PASS TO AMBASSADOR IRVING ASAP

EO 11652: NA

TAGS: PFOR MARR IC NATO

SUBJECT: IDF RETENTION NEGOTIATIONS - FURTHER

ICELANDIC REACTION

REF: REYKJAVIK 1342

1. WEEKEND PRESS SAW SPATE OF PUBLIC COMMENT ON SEPTEMBER 26 IDF NEGOTIATIONS IN WASHINGTON. NOTABLY ABSENT, HOWEVER, WAS ANY REACTION FROM PROGRESSIVE PARTY SOURCES. WITH EXCEPTION OF STATEMENTS BY FONMIN EINAR AGUSTSSON IN WASHINGTON, NEITHER PP OFFICIALS NOR PRESS HAVE COMMENTED.

2. AMONG REACTIONS FROM POLITICAL PARTY LEADERS, FOLLOWING ARE KEY POINTS:

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SOCIAL DEMOCRATIC PARTY CHAIRMAN GYLFI GISLASON EXPRESSED

WHOLEHEARTED SATISFACTION WITH AGREEMENT, WHICH, HE SAID IS IN COMPLETE ACCORD WITH RESOLUTION WHICH SDP INTRODUCED IN LAST PARLIAMENTARY SESSION. HE ADDED THAT IT WAS BOTH IRONIC AND FITTING THAT EINAR AGUSTSSON, FOREIGN MINISTER OF FORMER GOVERNMENT WHICH SOUGHT REMOVAL OF IDF, SHOULD NOW BE AGENT OF NEW GOVERNMENT WHICH HAS REACHED AGREEMENT ON CONTINUATION OF DEFENSE AGREEMENT.

MAGNUS TORFI OLAFSSON, CHAIRMAN OF ORGANIZATION OF LIBERALS AND LEFTISTS, SAID THAT CONCLUSION OWAS INEXCAPABLE THAT IP POLICY IS TO MAKE MILITARY OCCUPATION PERMANENT WHILE PROFITING FROM IT FINANCIALLY. AS RESULT, DEFENSE ISSUE WILL REMAIN FOCAL POINT IN POLITICAL ARENA.

RAGNAR ARNALDS, CHAIRMAN OF PEOPLES ALLIANCE, CHIDED EINAR AGUSTSSON FOR HIS ABOUT FACE ON DEFENSE ISSUE AND FOR RETRACTING LAST SPRING'S PROPOSALS BEFORE USG EVEN ANSWERED THEM. HE SAID IT WAS DISGRACE THAT FOREIGN TROOPS SHOULD REMAIN IN ICELAND AND HOPED THAT EARLY CONSENSUS WOULD EVOLVE THAT WOULD RID COUNTRY OF US OCCUPATION AFTER NEARLY ONE-THIRD CENTURY.

3. FONMIN EINAR AGUSTSSON WAS QUOTED BY TIMINN SEPTEMBER 28 AS SAYING, "I AM REASONABLY CONTENT WITH THE AGREEMENT REACHED IN WASHINGTON YESTERDAY. IT IS CONSISTENT WITH THE GOVERNMENT PLATFORM, AND WE GOT WHAT WE WERE SEEKING IN THIS ROUND, AND THERE WILL BE SUBSEQUENT DISCUSSIONS ON ARRANGEMENTS CONCERNING THE BASE. I HAVE NOTHING PARTICULAR MORE TO SAY FOR NOW."

4. EDITORIAL REACTION FEATURED FOLLOWING POINTS: INDEPENDENCE PARTY VISIR, SEPTEMBER 27, APPLAUDED AGREEMENT, WHICH IT SAID WAS IN KEEPING WITH GOVERNMENT'S PLATFORM AND WHICH ENDED LONG PERIOD OF INSECURITY. PAPER WENT ON TO DISCUSS PRACTICAL BENEFITS OF AGREEMENT WHICH, IT SAID, INCLUDED ALLEVIATION OF HOUSING SHORTAGE IN AREA OF BASE, END OF IRRITANT CAUSED BY PROXIMITY OF DEFENSE AND CIVIL AIRPORT OPERATIONS, AND NEW AIR TERMINAL THAT WILL REPLACE PRESENT INADEQUATE FACILITIES AND UNCLASSIFIED

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ATTRACT MORE FLIGHTS AND TOURISTS.

MORGUNBLADID (IP) HAILED END OF UNCERTAINTY IN DEFENSE MATTERS AND SAID OUTCOME WAS CONSISTENT WITH WILL OF MAJORITY AS EXPRESSED IN DEFENDED COUNTRY PETITION AND IN JUNE ELECTION. PAPER SAID THAT WHILE SOME POINTS REMAIN TO BE WORKED OUT, AGREEMENT HALTS REVIEW INITIATED BY LEFTIST GOVERNMENT IN JUNE 1973. EDITORIAL ALSO COMMENTED

ON MATERIAL BENEFITS, CHIEFLY AMONG WHICH WOULD BE NEW  
AIR TERMINAL.

SOCIAL DEMOCRATIC DAILY ALTHYDUBLADID  
DEVOTED EDITORIAL MAINLY TO ATTACK ON MORGUNBLADID,  
WHICH, PAPER SAID, ATTACKED SOCIAL DEMOCRATS LAST SPRING  
FOR ESPOUSING EXACTLY SAME DEFENSE POLICY WHICH IP-LED  
GOVERNMENT HAS NOW IMPLEMENTED. ALTHYDUBLADID SAID  
VOTERS WHO WERE DISSUADED IN JUNE FROM VOTING FOR SDP  
BY FALSE CHARGES IN MORGUNBLADID SHOULD GIVE CAREFUL  
CONSIDERATION TO SUBSEQUENT DEFELOPMENTS.

PEOPLES ALLIANCE DAILY THJODVILJINN SAID THAT EVEN THOUGH  
IP AND PP WARMONGERS HAD GAINED CONTROL OF GOVERNMENT,  
IT WAS HOPED THAT EINAR AGUSTSSON COULD HAVE FOUND  
COURAGE TO AT LEAST HOLD US TO ITS OWN PROPOSALS OF  
LAST NOVEMBER. HOWEVER, AGUSTSSON HAD SETTLED FOR  
AGREEMENT WHICH DID NOT EVEN GO THAT FAR. PAPER STRESSED  
THAT AGREEMENT WITH US WAS NOT SATISFACTORY AND THAT  
IT PROVIDED LITTLE CHANGE FROM EXISTING ARRANGEMENTS.  
IT CITED ABSENCE OF RESULTS FOR THOSE BASE OPPONENTS WHO  
HAD TRIED TO WORK WITHIN PP AND SDP AND SAID IT IS  
FUTILE TO DEVOTE ATTENTION TO THOSE PARTIES WHICH DO NOT  
HAVE RELIABLE STAND ON IDF QUESTION.  
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